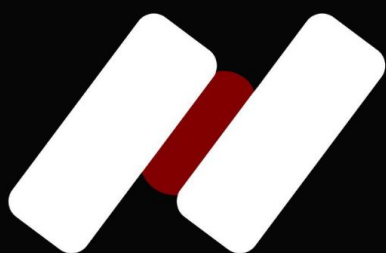




HS-Markets Limited

RISK DISCLOSURE POLICY



HS-MARKETS

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The official language of the company is **English**. For a full and accurate description of the Company's activities, please refer to the English version of the website. Information available in other languages is for reference purposes only and carries no legal authority. The Company assumes no responsibility for the accuracy of translations into languages other than English.

Important information

This Risk Disclosure Policy relates to your use of our website(s), HS-Markets: Online Trading and application (the “app”), and to information collected by us with your opening of any of your accounts and the services provided by HS-Markets.

Risk Disclosure for Foreign Currency and Derivatives Trading: This brief warning complements the "Client Agreement" and does not cover all potential risks or other important considerations regarding foreign currency and derivatives trading. Due to the inherent risks, you should avoid engaging in these transactions unless you fully understand the nature of the contracts, the legal context of such agreements, and your risk exposure. Trading in foreign currencies and derivatives carries high risks and may not be suitable for all individuals. You must carefully assess whether such transactions are appropriate for you, considering your experience, financial goals, resources, and other critical factors.

1. Foreign Currency and Derivatives Trading

1.1 Leverage Risks

Leveraged trading amplifies both potential profits and losses. A lower margin requirement means a higher risk of losses if the market moves against you. In some cases, margin requirements may be as low as 0.5%. Be aware that trading on margin can result in losses exceeding your initial deposit, potentially leading to greater losses than your original investment. The leverage effect causes even small market fluctuations to have a significant impact on your deposited funds. This can work in

your favor or against you. If the market moves against your position, or if margin requirements increase, the company may request additional funds to maintain your position. Failure to provide these funds could lead to the closure of your positions, and you will be responsible for any resulting losses.

1.2 Risk Reduction Orders and Strategies

Placing certain orders (e.g., stop-loss or stop-limit orders) to limit potential losses may prove ineffective if market conditions prevent the execution of such orders (e.g., in an illiquid market). Strategies using combinations of positions, like spreads or straddles, may not be less risky than traditional long or short positions.

2. Additional Risks Specific to Foreign Currency and Derivatives Transactions

2.1 Contract Terms

Ensure that you understand all contract conditions and obligations, such as those related to the delivery of assets in futures contracts or expiration and exercise limits in options. Under some circumstances, exchanges or clearinghouses may modify contract terms, such as strike prices, to reflect market changes.

2.2 Market Restrictions

Certain market situations, such as illiquidity, or rules that limit price fluctuations may make it difficult or impossible to execute trades or close positions, increasing the risk of loss. Selling options may exacerbate such risks. Additionally, there may not always be a clear correlation between asset prices and derivative values, complicating the estimation of fair value.

2.3 Deposited Funds and Assets

Be aware of the protections available for your deposited cash or assets, particularly if your broker or counterparties face insolvency or bankruptcy. The return of your funds may depend on local laws and regulations.

2.4 Fees and Charges

Ensure that you are fully informed of all fees, commissions, and charges before engaging in any transactions, as they will affect your overall profit or loss.

2.5 Cross-Jurisdictional Transactions

Transactions in foreign markets may expose you to additional risks due to different regulatory protections. Your domestic regulatory authority may not be able to enforce compliance with the rules governing other jurisdictions.

2.6 Currency Risk

Profits and losses on contracts denominated in a foreign currency may be affected by exchange rate fluctuations when converted into the currency of your account.

2.7 Liquidity Risk

Liquidity risk may prevent you from trading when you need to, either to avoid losses or to lock in profits. Additionally, margin requirements may be recalculated daily based on the value of the underlying assets, potentially requiring immediate additional funds to cover losses. Failure to provide these funds may result in the closure of your positions, with you bearing any resulting losses.

2.8 Stop-Loss Limits

Some CFD providers offer stop-loss limits to close positions automatically when they reach a specified price. However, in cases of rapid price movement or market closure, these limits may not fully protect you from losses.

2.9 Execution Risk

Execution risk arises when there is a delay between the time you place an order and the time it is executed. During this delay, the market may move against you, resulting in your order being executed at a price different from what you expected. Additionally,

trading outside regular market hours can involve wider spreads and increased price volatility.

2.10 Counterparty Risk

Counterparty risk refers to the possibility that the provider issuing the CFD may default and fail to meet its financial obligations. If your funds are not properly segregated from the provider's, you may not recover your money in case of financial trouble.

2.11 Trading Systems

Electronic and voice trading systems are prone to technical failures, which may prevent orders from being executed according to instructions. The extent of liability for such failures may vary, depending on the trading system, exchange, or clearinghouse used.

2.12 Electronic Trading

Trading through electronic communication networks carries specific risks, such as hardware or software failures that could prevent orders from being executed or positions from being monitored accurately.

2.13 Over-the-Counter (OTC) Transactions

In some jurisdictions, brokers are permitted to act as counterparties in OTC transactions. These transactions may involve increased risk due to difficulties in closing positions or determining fair value, especially if local regulatory protections are less stringent.

3. Limitation of Liability

The company, its employees, and its representatives cannot guarantee profits or the absence of risk. The client must fully understand the risks involved when opening an account for margin trading in financial markets as described above.